



September 22, 2021

Mr. Derek L. Asay
Senior Director, Government Strategy
Eli Lilly and Company
Lilly Corporate Center
893 Delaware Street
Indianapolis, Indiana 46285

Dear Mr. Asay:

By letter dated May 17, 2021, HRSA instructed Eli Lilly and Company (Lilly) to comply with its 340B statutory obligations and to immediately begin offering Lilly's covered outpatient drugs at the 340B ceiling price to covered entities that dispense the discounted medications through their contract pharmacy arrangements. HRSA informed Lilly that continued failure to provide the 340B price to covered entities utilizing contract pharmacies could result in civil monetary penalties.

Given Lilly's continued refusal to comply,¹ HRSA has referred this issue to the HHS Office of the Inspector General (OIG) in accordance with the 340B Program Ceiling Price and Civil Monetary Penalties Final Rule.²

Sincerely,

/Michelle Herzog/

Michelle Herzog
Acting Director
Office of Pharmacy Affairs

¹ Lilly provided HRSA its basis for refusing to comply in a letter dated June 10, 2021.

² 82 Fed. Reg. 1210, 1230 (Jan. 5, 2017); 42 C.F.R. § 10.11(a)